

Statement by Sidney ~~Sobor~~, Acting Assistant
Secretary for Near Eastern and South Asian
Affairs, before the Subcommittee on International
Trade and Commerce, House Foreign Affairs Committee

Thursday, March 13, 1975

MR. CHAIRMAN, I am sure the Subcommittee will understand that, while we are in the middle of delicate negotiations in the Middle East, this is a particularly difficult time to be discussing the subject before us today. I nevertheless wish to be responsive to the Subcommittee's interest in discussing the policy of the Department of State toward the Arab boycott of Israel and actions by the Department in connection with the boycott.

Let me begin by putting the boycott in its Middle East context.

The Arab boycott of Israel is one manifestation of the basic Arab-Israel conflict and thus arises from deep-seated political and emotional factors. The initial boycott organization, which was set up as a committee of the Arab League Council at the beginning of 1946, applied a primary boycott to prevent the entry of certain products into Arab countries from what is now the State of Israel. The secondary boycott, designed to inhibit third parties from assisting in Israel's development, was introduced in 1951, and it is this secondary boycott that affects American economic relations with a number

-2-

of Middle East countries.

The scope of the boycott has been broadened through the years, and it applies to a variety of activities which are seen by the Arab countries as constituting a special economic relationship with Israel. An extension of the boycott has involved the blacklisting of foreign actors, artists and other entertainment figures (and their films or recordings) judged to have aided Israel, such as through fund-raising. It is our understanding that, generally speaking, the act of trading with Israel -- as such -- does not violate any of the regulations of the boycott organization and does not of itself bring the boycott into effect. However, the Arab countries themselves reserve the power to interpret the boycott regulations and decisions, and our experience suggests that they are not uniformly applied. There are a number of firms which do business in Israel and Arab countries.

It is impossible to determine how much the boycott up to now has actually harmed Israel, whose economy has been growing at the rate of about 10 percent annually. We recognize, however, that the rapidly increasing economic strength of certain Arab countries has enhanced the Arab boycott as a potentially effective weapon against Israel. There is a likelihood that the growing attractiveness of commerce with Arab countries will place greater

-3-

pressure on some foreign firms not to deal with Israel because of the boycott.

Now I want to come to the position of the U.S. with regard to the boycott. As stated on numerous occasions our position is clear and it can be summarized as follows: the United States opposes the boycott. We do not support or condone it in any way. The Department has emphasized our opposition to the boycott to the Arab governments on many occasions as it adversely affects United States firms, vessels and individuals. Where the commercial interests of American firms or individuals have been injured or threatened with injury, we have made representations to appropriate Arab officials.

Consistent with our policy of opposition to the boycott, as reflected in the Export Administration Act of 1969, the Department of State has refused hundreds of requests from U.S. companies for authentication of documents relating to the boycott, as being contrary to public policy.

A number of American firms with boycott problems have consulted with Department officials. These firms have been (A) reminded of their reporting responsibilities under the Export Administration Act and (B) encouraged and requested to refuse to take any action in support of restrictive trade practices or boycotts.

A fundamental factor which has to be faced is

-4-

that Arab governments regard the boycott as an important element in their position toward Israel, and one of the basic issues of the Arab-Israeli conflict to be dealt with as progress is made toward resolving that conflict. Indeed, this is one of the issues which we have very much in mind as we continue our diplomatic efforts to help the parties achieve a just and lasting peace. The problem has been how to change effectively the underlying conditions which led to imposition of the boycott. We believe we can best serve this objective not through confrontation but by continuing to promote with the parties directly concerned a peaceful settlement of basic Middle East issues. We believe that our present diplomatic approach is the most effective way to proceed.

Though the boycott emerged from the political problems of the Arab-Israeli conflict, we are also concerned by reports that it could be used for discrimination on outright religious grounds. On this subject President Ford has recently said: "There have been reports in recent weeks of attempts in the international banking community to discriminate against certain institutions or individuals on religious or ethnic grounds.

"There should be no doubt about the position of this Administration and the United States. Such discrimination is totally contrary to the American tradition

-5-

and repugnant to American principles. It has no place in the free practice of commerce as it has flourished in this country.

"Foreign businessmen and investors are most welcome in the United States when they are willing to conform to the principles of our society. However, any allegations of discrimination will be fully investigated and appropriate action taken under the laws of the United States."

In summing up, I want to reemphasize

--that we oppose the boycott and will continue to make our opposition to it known, and

--that we will continue to oppose any efforts to discriminate against American firms or individuals on the basis of religion or ethnic background.

At the same time, we will continue to do our utmost to help the countries in the Middle East to find a basis for resolving the Arab-Israeli dispute and to arrive at a just and durable peace. It is our conviction that in the attainment of peace lies the fundamental basis for the resolution of the boycott issue, among others, which we are discussing today.

Ab Boy

see Commerce
Treas
HAC
March 13
C975?

Commerce : day-to-day
resp for deal
to applic of Boy

Export Reg : Export Admin Act of 1969

- ① oppose boys
- ② encour / resist
pms to resist
furthering boy

Dpt asked Justice / SEC / FRB / Treas
to examine boys for
U.S. violations

[How asked? When? What
response requested? When?]

HAK press conf 25 FEB
"looking into legal remedies"

Sisco Brief

- we clearly oppose
- to
- confrontation won't work
 - quiet dip better
 - no real solv until ^{more} settlement
- complicated by anti-sanctions

- Confusion of Boy and anti-S may strengthen Boy support (?)
- Pres asked for legal study

Sober AFAC (scITC)

- = Prim Boy 1946
Second Boy 1951
- = Boy not uniformly applied
- = Ab econs expand - poten impact of Boy increases
- = State refused authtcate 100's docs rel to Boy. [What doc's]
[How rel? How much does this slow them down? Is this just harassment?]
- = State
 - = Reminds firms of reporting respon under FEA 1969
[What respon?]
[What penalty?]
 - [Moral suasion only?]
- = Boy integral part of Ab-Is confic - sol awaits resol of larger problem.

THE DEPUTY SECRETARY OF STATE
WASHINGTON

March 24, 1975

COPIES TO:

S✓

P

NEA

M

M/DG Dear Larry:

RF(hjb)

With reference to our telephone conversation today, I have checked and found that Secretary Kissinger has not, at least as yet, received a letter signed by 100 Members of Congress re the Arab boycott and State Department assignment policies for the Middle East. However, we have received similar inquiries from individual Members of Congress, as well as a letter addressed to the Secretary from Congressman Robert Kasten, subsequently co-signed by 32 of his colleagues.

I am enclosing a copy of an exchange of correspondence with Congressman Henry A. Waxman, in which the Department's policy on the assignment of personnel to Saudi Arabia is set forth. There is also enclosed language prepared for possible questions on this subject during Deputy Assistant Secretary Sober's recent testimony on the Hill. *

Finally, you will also find enclosed some statements made recently by Department officials on the general subject of the Arab boycott.

I hope this material is helpful to you and to Ed.

Sincerely,

Robert S. Ingersoll

Honorable Lawrence Silberman
Deputy Attorney General
Department of Justice
Washington, D.C.

D;JCahill

Clearance: NEA: Mr. Sober

*Some questions on the subject were indeed asked in the Bingham Subcommittee hearing on March 13, and Mr. Sober responded along the lines indicated



March 13, 1975

Honorable Henry A. Waxman
House of Representatives
Washington, D. C. 20515

Dear Mr. Waxman:

The Secretary has asked me to reply to your letter regarding visa policies of Saudi Arabia as they affect American Jews. You ask what is the US position with regard to these Saudi visa policies and the nature and extent of US acquiescence or participation in these policies.

It is the established position of the United States to oppose and to eliminate, where it is in our jurisdiction to do so, discrimination based on race, color, religion, sex or national origin. Our position was most recently reiterated by the President on February 26 in connection with reports of attempts in the international banking community to discriminate against certain institutions or individuals on the basis of religious or ethnic grounds. I believe the President left no doubt about the position of the Administration and the United States that such discrimination is totally contrary to the American tradition and repugnant to American principles.

Both through public statements and in our private contacts with governments whose policies we consider discriminatory, we make certain that they understand our position. When other governments' actions include discrimination against American citizens and those citizens seek our assistance, as in the case of applicants for visas to Saudi Arabia, we render assistance. As you have correctly noted, our interventions have been successful in a number of instances. In the final analysis, of course, the decision about whom a government will admit to its territory is a sovereign matter. When another government exercises its sovereignty in ways we consider contrary to principles of non-discrimination which we believe should be universally applicable, we must make a judgment, in deciding how to respond to such a situation, as to what will best serve our overall national interest.

75-04303

36-1733

The Department of State for its part pursues a non-discriminatory policy in the assignment of its personnel overseas. Allegations that other agencies may have discriminated are now under investigation pursuant to the President's directive. For the Department, it is part of our regulations. No post in the field and no office in State, AID, or USIA can refuse the assignment of an employee on the basis of race, color, religion, sex or national origin. The U.S. Government, however, could not prevent another government from refusing to issue a visa to an officer assigned to duty in its territory, though we could, and would, object to such action in strong terms.

While we do not believe that any American foreign service personnel of the Jewish faith have been assigned to serve in Saudi Arabia nor do we recall any who have sought assignments there in recent years, we cannot state categorically that this is the case because our personnel records do not indicate the religious affiliation or conviction of the individual. Obviously, if such an officer applied for an assignment in Saudi Arabia, the application would be considered on its merits. Generally speaking, Jewish officers to the best of our knowledge have not sought assignments to countries known to practice discriminatory policies against Jews.

Finally, we believe that the best means to eliminate discriminatory policies against persons or companies in the Middle East is through efforts to achieve a just and lasting peace settlement in that region.

Sincerely,

/s/
Robert J. McCloskey
Assistant Secretary
for Congressional Relations

/w/
NEA/ARP:FMDickman:tk
3/13/75 x 20714

Clearances: NEA:Mr. Sober
L/NEA:Mr. Huffman
M/DG:Mr. Appling
H:Miss Folger

100
LY BOULEVARD
CALIFORNIA 90048
651-1040

CONGRESS OF THE UNITED STATES

House of Representatives

Washington, D.C. 20515

HENRY A. WAXMAN
24TH DISTRICT, CALIFORNIA

INTERSTATE AND FOREIGN
COMMERCE
BURT MARGOLIN
ADMINISTRATIVE ASSISTANT

BRUCE WOLPE
LEGISLATIVE ASSISTANT

ACTION
is assigned to

NEA

February 20, 1975

Hon. Henry A. Kissinger, Secretary
U.S. Department of State
Washington, D.C. 20520

Dear Mr. Secretary:

I wish to raise a matter of the gravest importance with the Department of State regarding the visa policies of Saudi Arabia as they pertain to American Jews who wish to visit or work in that country, and our Government's acquiescence to Saudi anti-Jewish restrictions.

My experience is firsthand. From February 7-17, 1975, I participated in the trip of the House Armed Services Committee to Israel, Iran, Saudi Arabia, and Egypt for the purpose of evaluating the political and military situation in the Middle East.

Prior to departure, I obtained visas from every country except Saudi Arabia. Saudi Arabia requires, in addition to a visa application, a certificate of religion. The processing of my visa application was going smoothly until the Embassy came across my certificate of religion. At that instant, I was informed that the visa would not be granted.

As you may know, it was only through the intervention of the State Department that my visa was finally approved, and I was able to enter the country.

I consider it an outrage that a United States Congressman, or any other American citizen should be denied entrance to a nation with which we have full diplomatic relations because of his religion. It is my unfortunate conclusion that had I not been a Congressman, my request to visit Saudi Arabia would have been denied, and that the State Department would not have intervened in my behalf.

Henry A. Waxman

hah

Hon. Henry A. Kissinger
February 20, 1975
Page Two

During my meeting with King Faisal, I asked him about his country's anti-Jewish policy. He did not even attempt to obscure his position. He told us openly and publicly that there is no room for a Jewish homeland in the Middle East and that there is no room for Jews even as visitors in Saudi Arabia.

His answer greatly disturbed all of us there. The vehemence of his remarks left no doubt in my mind that the distinction he sometimes makes between Jews and Zionists is an academic one as far as Saudi Arabia is concerned.

I am informed that our government, the American military, and business communities exclude Jewish personnel from assignments to Saudi Arabia in order not to jeopardize our relationship with that country. I was told that our government has chosen not to press the issue.

In my absence, I asked my staff to review the matter. They discovered that all Jewish visa applications are forwarded to the Saudi Foreign Ministry, and that some Jews, almost exclusively ranking governmental and corporate persons, are admitted.

My staff also discovered that our government rarely takes issue with the Saudis. The State Department did not know of any Jews serving as foreign service officers in Saudi Arabia.

My staff was told our government has pursued a non-discriminatory policy in staffing our Embassy in South Africa, for example, with black foreign service officers. Apparently the United States does not apply the same kind of policy in Saudi Arabia. One can only ask, why?

As an American citizen, I am ashamed of what appears to be our government's conduct in this matter. It is an insult to talk of strengthening and improving our relations with Saudi Arabia by adopting this vicious

Hon. Henry A. Kissinger

February 20, 1975

Page Three

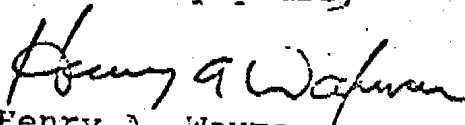
discriminatory practice against our own citizens.

If we accept this kind of anti-Jewish discrimination, it is a clear sign that we will tolerate an escalated anti-Jewish campaign from the Arab world. Last week, we learned that Kuwait was accused of practicing discrimination against certain Jewish bankers in Western countries. Where will the United States draw the line against its own complicity in bigotry and discrimination?

Therefore, I respectfully request that you review and report on the United States government position with respect to Saudi Arabian visa policies as they pertain to Jews, the nature and extent of the United States acquiescence and participation in Saudi policies restricting Jews.

I want to thank you for your time and consideration in this matter.

Very truly yours,


Henry A. Waxman
Member of Congress

HAW:br

Q. What are the State Department's procedures for selecting personnel for assignment?

A. Candidates for positions are considered on the basis of their indicated interest, areas of qualification (political, consular, etc.), specific experience or other preparation, and skills such as language or technical competence. Interested offices or Ambassadors are often invited to comment on proposed assignments. Selections are then formally approved by an official panel. The panel, among other things, assures that each assignment meets regulatory and other requirements including, for example, the prohibition on discrimination on the basis of sex, race, religion, etc.

NEA Bureau and Embassy views are welcomed at any stage of the assignment process. Not infrequently, the Bureau or an Embassy may itself propose a candidate for a given position based on a knowledge of special qualifications or familiarity with the individual. Finally, personnel obtains bureau concurrence in all officer assignments and in some staff assignments, though this is usually in the form of "no objection" to personnel's candidate.

Q. Isn't it likely that the Department of State would prevent the assignment of a Jewish officer to a country known to be hostile to Jews in the view that he would be relatively ineffective there?

A. No. We would, of course, make certain such an officer was aware of the policy of the country concerned. The more likely possibility is that we would have no Jewish candidates. In our experience, Jewish officers as a general rule have not sought assignments to countries whose policies were discriminatory against Jews. The Department would not prevent such assignments, but it is aware as are its officers of the disadvantage serving in a country hostile to Jews, assuming they could obtain visas and be admitted to that country. If a Jewish employee sought assignment to a post in a country which excluded persons of Jewish faith but for which he was the best qualified, we would make the assignment. If the government of that country then refused a visa to that person, we would object to that action. However, we would have no way of forcing the assignment. I should note, however, that no generalizations are possible on this subject. From personal recollection and association, we know that there have been American personnel of Jewish faith assigned from time to time in Arab countries.

Q. Are you going to tell me that the Department is going to wait until a Jewish FSO asks to be assigned to Saudi Arabia? What about the assignment of a black FSO to South Africa?

A. The Department tries to avoid assigning officers to posts against their will. I do not believe Mr. Baker would have been assigned to South Africa had he not applied for this assignment. If an applicant met the qualifications for assignment, he would be selected without reference to any religious affiliation.

Q. Has the Department assigned a Jewish Foreign Service Officer to Saudi Arabia or are any Jewish FSOs serving in Saudi Arabia?

A. We cannot categorically answer this question because our personnel records do not indicate the religious convictions of individual officers. To the best of our knowledge, however, there are no Jewish officers in Saudi Arabia and probably none has served there. I assume that Jewish FSOs have rarely, if ever, sought assignment in Saudi Arabia because of obvious and justified concern that professionally and socially, they would be severely hampered in the performance of their official duties.

Q. Would the Department assign a Jewish FSO to Saudi Arabia if one applied for such assignment?

A. Consistent with its regulations, the Department of State would consider the officer's application on its merits without regard to his religious affiliation.

Q. What kind of personnel policy does the State Department follow in deciding which American personnel it will assign to countries like Saudi Arabia which practice religious discrimination?

A. The Department of State pursues a non-discriminatory policy in assigning its personnel overseas. No post in the field and no office in State, AID, or USIA can refuse the assignment of an employee on basis of race, color, religion, sex or national origin.

This is our policy. If one of our personnel were selected for assignment to a foreign country and that country refuses to issue them a visa we would protest the refusal. If we were unable to convince the other government to alter its decision, we would re-assign the officer to another post rather than keep him in limbo. This decision would not be based upon any implied acceptance of the prejudices of the country practicing discrimination, but would be a pragmatic decision reflecting our concern for the officer's career.

~~Statement by Eugene Sawyer, Acting Assistant~~
Secretary for Near Eastern and South Asian
Affairs, before the Subcommittee on International
Trade and Commerce, House Foreign Affairs Committee

Thursday, March 13, 1975

MR. CHAIRMAN, I am sure the Subcommittee will understand that, while we are in the middle of delicate negotiations in the Middle East, this is a particularly difficult time to be discussing the subject before us today. I nevertheless wish to be responsive to the Subcommittee's interest in discussing the policy of the Department of State toward the Arab boycott of Israel and actions by the Department in connection with the boycott.

Let me begin by putting the boycott in its Middle East context.

The Arab boycott of Israel is one manifestation of the basic Arab-Israel conflict and thus arises from deep-seated political and emotional factors. The initial boycott organization, which was set up as a committee of the Arab League Council at the beginning of 1946, applied a primary boycott to prevent the entry of certain products into Arab countries from what is now the State of Israel. The secondary boycott, designed to inhibit third parties from assisting in Israel's development, was introduced in 1951, and it is this secondary boycott that affects American economic relations with a number

of Middle East countries.

The scope of the boycott has been broadened through the years, and it applies to a variety of activities which are seen by the Arab countries as constituting a special economic relationship with Israel. An extension of the boycott has involved the blacklisting of foreign actors, artists and other entertainment figures (and their films or recordings) judged to have aided Israel, such as through fund-raising. It is our understanding that, generally speaking, the act of trading with Israel -- as such -- does not violate any of the regulations of the boycott organization and does not of itself bring the boycott into effect. However, the Arab countries themselves reserve the power to interpret the boycott regulations and decisions, and our experience suggests that they are not uniformly applied. There are a number of firms which do business in Israel and Arab countries.

It is impossible to determine how much the boycott up to now has actually harmed Israel, whose economy has been growing at the rate of about 10 percent annually. We recognize, however, that the rapidly increasing economic strength of certain Arab countries has enhanced the Arab boycott as a potentially effective weapon against Israel. There is a likelihood that the growing attractiveness of commerce with Arab countries will place greater

-3-

pressure on some foreign firms not to deal with Israel because of the boycott.

Now I want to come to the position of the U.S. with regard to the boycott. As stated on numerous occasions our position is clear and it can be summarized as follows: the United States opposes the boycott. We do not support or condone it in any way. The Department has emphasized our opposition to the boycott to the Arab governments on many occasions as it adversely affects United States firms, vessels and individuals. Where the commercial interests of American firms or individuals have been injured or threatened with injury, we have made representations to appropriate Arab officials.

Consistent with our policy of opposition to the boycott, as reflected in the Export Administration Act of 1969, the Department of State has refused hundreds of requests from U.S. companies for authentication of documents relating to the boycott, as being contrary to public policy.

A number of American firms with boycott problems have consulted with Department officials. These firms have been (A) reminded of their reporting responsibilities under the Export Administration Act and (B) encouraged and requested to refuse to take any action in support of restrictive trade practices or boycotts.

A fundamental factor which has to be faced is

-4-

that Arab governments regard the boycott as an important element in their position toward Israel, and one of the basic issues of the Arab-Israeli conflict to be dealt with as progress is made toward resolving that conflict. Indeed, this is one of the issues which we have very much in mind as we continue our diplomatic efforts to help the parties achieve a just and lasting peace. The problem has been how to change effectively the underlying conditions which led to imposition of the boycott. We believe we can best serve this objective not through confrontation but by continuing to promote with the parties directly concerned a peaceful settlement of basic Middle East issues. We believe that our present diplomatic approach is the most effective way to proceed.

Though the boycott emerged from the political problems of the Arab-Israeli conflict, we are also concerned by reports that it could be used for discrimination on outright religious grounds. On this subject President Ford has recently said: "There have been reports in recent weeks of attempts in the international banking community to discriminate against certain institutions or individuals on religious or ethnic grounds.

"There should be no doubt about the position of this Administration and the United States. Such discrimination is totally contrary to the American tradition

and repugnant to American principles. It has no place in the free practice of commerce as it has flourished in this country.

"Foreign businessmen and investors are most welcome in the United States when they are willing to conform to the principles of our society. However, any allegations of discrimination will be fully investigated and appropriate action taken under the laws of the United States."

In summing up, I want to reemphasize

--that we oppose the boycott and will continue to make our opposition to it known, and

--that we will continue to oppose any efforts to discriminate against American firms or individuals on the basis of religion or ethnic background.

At the same time, we will continue to do our utmost to help the countries in the Middle East to find a basis for resolving the Arab-Israeli dispute and to arrive at a just and durable peace. It is our conviction that in the attainment of peace lies the fundamental basis for the resolution of the boycott issue, among others, which we are discussing today.

Background

The current controversy over the issue of Arab discrimination against certain Jewish-owned business firms has renewed interest in the Arab League economic boycott. It has also confused two separate issues: (1) the boycott itself and (2) anti-Jewish discrimination. The Arab League boycott regulations are written to exclude from Arab markets firms and individuals believed by the Arabs to be engaged in activities which support and strengthen Israel. The regulations are not aimed at Jews or firms with Jewish officials as such.

However, anti-Israel feelings often have extended to Jews in general. King Faisal's outright anti-semitism is the extreme case which leads to the Saudi general practice of denying visas to Jews unless they are official visitors.

Congressman Henry Waxman (D., Cal.) has said that because he is Jewish the Saudi Embassy refused his visa application for his travel to Riyadh with CODEL Price in February and relented only after the Department intervened. We think the problem was complicated by Waxman's application being filed only 48 hours in advance of the CODEL's departure and the inability of the Saudi Embassy to issue him a visa without obtaining authorization from Riyadh because he is Jewish. Waxman's complaint may stimulate questions from the Wednesday morning group.

Talking Points

-- The Arab League governments many years ago decided to invoke an economic boycott against business firms investing in Israel. Its purpose was to exclude from Arab markets firms and individuals believed by the Arabs to be engaged in activities which support and strengthen Israel.

-- Since initiation of the boycott, US policy, as implemented by the Departments of State and Commerce, has been to oppose it. We have made our position clear on repeated occasions at all levels of our contacts with Arab League governments.

-- The main problem which we face is the Arab's conviction that the boycott is a legitimate measure of economic warfare. They see the issue as too clearly associated with the basic elements of the Arab/Israel conflict to be dealt with except as progress is made toward resolution of that conflict.

-- There are two ways in which we can deal with this problem -- confrontation, which we do not believe will work, or by continuing a policy of quiet diplomacy and persuasion based on our broad effort to strengthen bilateral relations with the Arab League governments and our promotion of a negotiated Arab-Israeli settlement. We believe we have made some progress, but realistically one cannot anticipate a formal lifting of the boycott until we are much closer to a settlement.

-- Recently, the issue of the boycott has been complicated by reports of anti-Jewish discrimination in connection with the boycott.

-- As I noted previously, the Arab boycott regulations as written are aimed at the State of Israel, not at Jews and firms with Jewish officials as such. There are firms on the boycott list with no Jewish association; and there are Jewish-officered firms which do business in the Arab world. There are Muslim-owned firms in Turkey and Iran on the boycott list.

-- We are most concerned that continued public discussion linking what we believe to be two separate issues, a boycott aimed at Israel and anti-Jewish discrimination, may very well strengthen the position of factions calling for more stringent application of the boycott, reverse recent favorable trends and, perhaps, even impact on prospects for a negotiated settlement.

-- At the President's direction a review is under way by the State Department and other concerned agencies to determine the circumstances under which acts in support of the boycott might violate US laws or regulations.

-- While we are not at this moment aware of any cases involving American-owned firms in which religious discrimination has been practiced, there can be no question that we would find such practices unacceptable.

If questioned concerning State Department personnel policies:

-- US Government officials of Jewish extraction do travel to the Arab nations with which we have relations on official business. State Department personnel are assigned without regard to race or religion. Our policy was stated in a Foreign Affairs Manual Circular released on January 11, 1972. It says "...assignments to all positions in each agency, domestic and overseas, are made without consideration of the race, color, religion, sex, or national origin

of the employee concerned. No post in the field and no office in State, AID, or USIA can refuse the assignment of an employee on the basis of race, color, religion, sex, or national origin."

-- Saudi Arabia does require a certificate of religious affiliation as part of its visa application process. Any nation has the sovereign right to set its own standards for entry into its territory.

-- I cannot state categorically whether or not any American Jews serving in the Foreign Service are now assigned to Saudi Arabia because the Department does not keep records showing our employees' religion.

Statement of Deputy Assistant Secretary Harold H. Saunders
Department of State
February 26, 1975

The Committee has asked me to discuss the State Department's policy on the Arab boycott and actions taken by the Department in connection with the boycott. To help the Committee make the most economical use of its time, I want to note that the division of labor in the Executive Branch gives the Department of Commerce responsibility for dealing with American companies on a day-to-day basis on questions involving the application of the boycott to particular transactions. An analysis of the impact and scope of the boycott on these companies, therefore, will come most usefully from Department of Commerce data.

Having said that, let me turn to the policy which the U.S. has adopted toward the Arab boycott of Israel.

In keeping with our overall policy against restrictive discriminatory trade practices, it has been the policy of the Departments of State and Commerce for years to oppose that boycott and the associated secondary boycott of foreign firms which have certain close business relations with Israel. That opposition has been made clear repeatedly. That position is embodied in the legislation which Congress passed in 1969 (text attached).

This remains the Administration's policy today. This is one of the issues that flows from the unresolved Arab-Israeli dispute and which we have very much in mind as we continue diplomatic efforts to help achieve a just and durable peace in the Middle East.

The main problem which we face, of course, is that Arab governments regard the boycott as an important part of their position in the continuing conflict with Israel. They see this issue as too closely associated with the basic elements of the Arab-Israeli conflict to be dealt with except as progress is made toward resolution of that conflict.

The question, therefore, is not whether we oppose the boycott but how to try most effectively to change the situation which gave rise to the boycott. It has been our view--and I believe this is the view that underlies existing legislation--that this issue is best dealt with through quiet diplomacy and persuasion. We have felt that it will be more effective to attempt a resolution of the underlying problems while, without following a policy of confrontation, making clear our opposition to the boycott.

With regard to the companies involved, we have on a number of occasions exchanged views and information with companies that are potentially affected. We recognize the role that American companies can play in the exchange of

technology and commerce with Middle Eastern countries, and we want to do everything we can to permit all Americans to share in mutually beneficial efforts to further economic progress in the Middle East.

The question of discrimination in connection with the boycott is one that must be addressed in the light of recent press reports on this subject. While we are not at this moment aware of any American cases in which religious discrimination has been practiced, there can be no question that we would find such practices unacceptable.

The Secretary of State addressed the question of discrimination during his press conference yesterday: " ... With respect to the U.S. policy of investment in Arab countries, the United States basically favors it. The United States is strongly opposed to any discriminatory practices by the recipient countries as to the firms that might do business. And we are looking into the legal remedies that may exist, together with whatever moral influence we can bring to bear on the banking and other communities to abolish discrimination, which we consider reprehensible."

In this connection, the Department has asked the Civil Rights and Antitrust Divisions of the Justice Department, the Securities and Exchange Commission, the Federal Reserve

Board, and the Treasury Department for their opinions as to the circumstances under which acts in support of the boycott might violate U.S. laws or regulations. This issue will, therefore, be under active study in the coming weeks.

EXPORT REGULATION

PUB. L. 91-184, DEC. 30, 1969, 83 STAT. 841

Sec. 2402. Congressional declaration of policy.

* * * * *

(5) It is the policy of the United States

(A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (B) to encourage and request domestic concerns engaged in the export of articles, materials, supplies, or information, to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States. (Pub. L. 91-184, Sec. 3, Dec. 30, 1969, 83 Stat. 841.)